



# Kosovo Business Finance (KBF) Project

*Award Fee Self-Assessment Report  
Evaluation Periods 2 and 8*

USAID Contract No.  
167-C-00-01-00106-00

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## 1.0 SUMMARY OF AWARD FEE SELF ASSESSMENT

This report describes progress in meeting the performance criteria during Evaluation Period 2 and 8 for the Kosovo Business Finance Project (KBF) as established by USAID Contract No. 167-C-00-01-00106-00, Attachment 1.

The time of review covered under Evaluation Period 2 is six months, from November 10, 2001 to May 10, 2002. Evaluation Period 8 was also for this term, however, the evaluation is strictly for the share of foreign bank equity in the ownership structure for the American Bank of Kosovo (ABK).

For reference the Award Fee Plan is attached as Appendix E.

## 2.0 EVALUATION PERIOD 1 – MANAGEMENT AND LOAN PRODUCTION

### Summary of Evaluation Components

A summary of the evaluation criteria and a very brief synopsis of the self-assessment are outlined below and explained in turn in more detailed.

### Kosovo Business Finance Fund (Loan Production Unit)

Criteria	Summary Assessment	Maximum Amount*	Award
<b>Cost Management</b>	Actual spend at year-end is below budget and costs are being actively managed in the field as from home office.	\$17,070	
<b>Organization and Management</b>	Contractor has provided responsive and specialized service that has proved instrumental to the development and management of the project and institutional structure for both KBFF and ABK, administration of project deliverables, and has met the requirements for managing the project and the bank, as well as integrating the loans and the lending function into the Bank. A complex project management administration has been maintained to address the special needs of the project, which have supported the success achieved thus far.	\$25,604	
<b>Loans Booked and Deposits Mobilized</b> <ul style="list-style-type: none"><li>• Volume of Loan Disbursements (20%)</li><li>• Value of Loan Disbursements (20%)</li><li>• Delinquent Loan Rate (30%)</li><li>• Value of Deposits Mobilized (30%)</li></ul>	Over 200 SME loans approved;  Loan disbursements exceeded 10.3 million DM at end of period  Delinquency rate below 10%  Over 16 Million Euro in deposits mobilized	\$76,813	

\* Based on the Award Fee Amount Stated in Attachment 1

## Cost Management

**Evaluation Criteria:** *Cost management, use of project funds, quality of reporting, problems and trends identified, responsiveness to cost control measures.*

The table below shows the estimated financial status of TA funds for both the loan fund and Bank setup at the end of the evaluation period.

Kosovo Business Finance - Project Year 1 May 10, 2001 - May 10, 2002			
	Year 1 Budget	Est. Costs (through May 10, 2002)	BURN RATE
	Cost	Cost	Cost
<b>A. Salaries and Wages</b>			
LTTA	\$536,469	\$502,818	94%
STTA	\$95,708	\$77,795	81%
Home Office	\$22,553	\$91,608	406%
<b>Total Salaries and Wages</b>	<b>\$654,730</b>	<b>\$672,221</b>	<b>103%</b>
<b>Total Fringe Benefits</b>	<b>\$72,888</b>	<b>\$89,333</b>	<b>123%</b>
<b>Total Overhead</b>	<b>\$558,927</b>	<b>\$584,739</b>	<b>105%</b>
<b>Total Travel, Transportation and Per Diem</b>	<b>\$110,453</b>	<b>\$185,296</b>	<b>168%</b>
<b>Total Allowances</b>	<b>\$438,073</b>	<b>\$266,348</b>	<b>61%</b>
<b>Total Other Direct Costs</b>	<b>\$406,973</b>	<b>\$572,189</b>	<b>141%</b>
<b>G. US/TCN Subcontractors</b>			
Deloitte & Touche Central Europe	\$740,658	\$583,305	79%
Mercy Corps International	\$165,411	\$0	0%
IMCC	\$388,700	\$393,768	101%
Resource Firms	\$79,781	\$9,939	12%
<b>Total Subcontractors</b>	<b>\$1,374,550</b>	<b>\$987,012</b>	<b>72%</b>
<b>SUBTOTAL PROJECT COSTS</b>	<b>\$3,616,594</b>	<b>\$3,357,140</b>	<b>93%</b>
General & Administrative Costs	\$289,328	\$268,571	93%
<b>SUBTOTAL ESTIMATED COSTS</b>	<b>\$3,905,922</b>	<b>\$3,625,711</b>	<b>93%</b>
Base Fee	\$78,118	\$78,157	100%
Base Fee (on RIAS Costs)	\$16,418	\$16,418	100%
Award Fee	\$425,591	\$425,591	100%
<b>CLIN 1 - TOTAL ESTIMATED COST PLUS FEE</b>	<b>\$4,426,049</b>	<b>\$4,145,877</b>	<b>94%</b>
(Total Minus Award Fee)	\$4,000,458		
<b>CLIN 3 - TOTAL ESTIMATED TA COST</b>	<b>\$420,911</b>	<b>\$386,235</b>	<b>92%</b>
RIAS	\$420,911	\$386,235	92%
<b>CLIN 1 &amp; 3 - TOTAL ESTIMATED COST PLUS FEE</b>	<b>\$4,846,960</b>	<b>\$4,532,111</b>	<b>94%</b>

At an estimated burn rate of approximately 94% for total project costs, overall spend was well within projections for the first year of the project. Although project costs will increase during the second year of the project due to an increased need in resources, the team has been able to maintain costs below budget and has developed a lending unit and a Bank, operated by the project, that are well positioned to pursue all benchmarks for the duration of the project.

There is some material variance in the line item results for home office staff, subcontractors, travel, allowances, and communications. The high LOE expended by the home office staff is due mostly to the complexities of this project and the need to have a home office representative involved in many of the major project decisions and issues. Subcontractor under-spend is due to a re-allocation of costs from subcontractors to salaries and concerns most of the Bank staff that, during the course of the project, was engaged directly by Deloitte instead of by RIAS. The variance in travel expenditure is due to a higher than anticipated cost of flights to and from Pristina. As the bulk of travel expenditures are finished, this variance will grow by much less for the remainder of the project. The variance in allowances are the result of most expatriates requiring less in expenditure for shipping and other allowances than originally projected. Communications expenditures are higher than estimated because of the scale of interaction and high cost of telephone calls within/from/to Kosovo.

While there have been some expenditures, such as insurance, office rent, transactions costs on loan funds and some equipment that have cost more than budgeted, we believe the overall budget results are favorable. These results are, in part, the result of explicit actions by the project team to manage costs and keep expenditures at bay. Indicative examples of where costs have been well managed, reduced, or avoided include the following:

- While office rent and other expenses for the KBFF building was originally a bit higher than budgeted, the efforts of the team to rapidly build-out the second floor of the ABK building allowed the project team to move into the Bank building for the second half of the project year and thus the project was able to lower its overall rent and operating expenses associated with the facilities used.
- KBF remained competitive, but also very prudent on setting salaries for local staff. All salary costs for local staff were less than budgeted. This allowed the lending team to grow much larger than originally projected in order to aggressively pursue opportunities in the Kosovar market, while still maintaining overall local salary costs under budget. Because of the cost savings, the team was able to develop an aggressive promotional path and a pay-for-performance structure to reward Loan Officers, once they had finished the training program.
- During the course of the project, it became evident that a shift in the focus of expatriate technical assistance was necessary. Although there was a strong need to maintain expatriates in the lending unit, much assistance was needed in the setup and management of general bank operations. The KBF project management team was able to fill almost all loan officer positions with lower salaried individuals than originally budgeted in order to fund the additional assistance needed for ABK with excess funds. Additionally, costs for expatriate assistance in the Bank was maintained at a reasonable level.
- KBF has a designated individual in Kosovo as well as in the home office focused on supporting the COP in monitoring all operating expenses. Operating expenses are capped and require approval for expenditures above a certain level.
- Nearly all subcontractor costs have been maintained much lower than originally projected or made unnecessary by the pace of progress on the project.
- Various efforts have been taken by the project team to maintain transaction costs. Once ABK was able to process international transfers, all project and loan funds transferred

into Kosovo were transferred into accounts at the ABK. This resulted in virtually no transaction costs for funds transferred into Kosovo.

In addition to cost management, we would also like to note that the project has expended a considerable amount of resources on bank development and management that was not originally part of the project budget. The shift and addition of staff focused on addressing bank development and management needs during the second half of the project year served to subsidize the bank costs without materially compromising loan production. This, in effect, was a cost reducing move because bank capital was preserved while expatriate technical expertise was made available to assist with the planning and management of the ABK.

A comprehensive accounting system and cost-reporting regime has been developed for the project. The results are reported monthly to USAID and evaluated by the COP and project management. While there are always some final adjustments to month end numbers due to lags in invoicing and other, the reports prepared for the project are deemed accurate and well supported.

After an evaluation by USAID and close discussion with the field team on the achievements for Year 1, it was determined that the initial project benchmarks would be modified to continue to maintain a strong drive for success among all team members. The change in project benchmarks has resulted in an increase in the need for additional resources, which would have several cost implications that will be reflected in the revised Year 2 and 3 budgets agreed upon by USAID and Deloitte.

We are happy to provide further documentation in support of the cost management evaluation of specific line items, or to respond to specific questions on overall approach.

## **Organization and Management**

**Evaluation Criteria:** *Contractor practices proactive management to identify and anticipate problems prior to adverse impact. Contractor provides organized and detailed alternatives including risk assessments, trade-off analysis between cost, schedule and performance, plan of action and implementation schedule. Solutions are implemented with no impact to estimated cost and schedule. Organizational structure provides for highly qualified personnel assigned with duties, responsibilities, and authority necessary to achieve program goals ahead of schedule and within estimated cost. Lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information, both technical and contractual, in order to meet program goals.*

During Period Two (approximately November 2001 – May 2002), Project Management has focused on strengthening the foundation of the ABK (including the lending unit); obtaining the required resources (human, technical, etc.) for efficient operations; planning and implementing ABK initiatives to help “grow” the bank; and planning (with USAID) for Years 2 and 3 of the KBF project. All these areas have been key as the project transitions from being two separate activities (lending and bank set-up) to one integrated full-service commercial bank with ambitious plans for expansion. There have been, as to be expected, many challenges during this transition period. Nevertheless, Project Management has dealt with these challenges and has resolved problems so as not to impede progress or success. We

would like to bring to USAID's attention the following points demonstrating effective management and organization:

1. **Shift from crisis management to intensive focus on management and strategic planning:** The project team successfully managed to overcome the demands placed on the Bank and lending teams from the initial few months of bank operations, in particular related to conversion to the Euro, and implementation of the main operating system for the bank. Now that the basic operations of the ABK were established, the project management team began an intense focus on the successful stabilization of the KBF project and proper management and oversight of ABK. Period Two was an ideal time to work with the team to establishing more formalized standard operating procedures for the bank so that the team could begin to focus on some of the additional banking and lending opportunities and initiatives in the Kosovo market. As project manager, Veronica Gilbert has spent much of February, March and April in Kosovo in order to assist with the organization and planning for ABK and KBF to successfully change gears and pursue a planned strategy for growth into the second year of the project. She was joined by Monica Shinn, Project Coordinator. Also, with the addition of several expatriate staff and the plan to include several more to pursue the aggressive growth targets, it was important for Veronica to assist with the issues involved. Specific accomplishments during the early part of Period Two included:

- ***Clarification of fee structure and services offered by the bank:*** Due to the increased complexities of operations during the month of January, there was some confusion by the staff as to the fee structure and services provided by the bank. Working closely with USAID/Kosovo, KBF management clarified items and resolved issues during the first two weeks of February to produce a comprehensive fee structure and list of services to end confusion among the staff of ABK and ABK customers as well as to facilitate promotion of bank fees and services.
- ***Creation of an ABK Strategy Document to provide guidance on growth of the bank within the context of the KBF project.*** This creation of this document was led by the COP (Steve Strauss) and the Project Manager (Veronica Gilbert) with input from the ABK/KBFF management team and the close collaboration of USAID/Kosovo. The document lays out the mission, objectives and overall strategy of the ABK; services to be offered; and initiatives such as customer service, business development and marketing, a branch network, ATMs, new bank products, integration of SME lending into the Bank, and expansion of SME lending and pursuit of other lending.
- ***The organization of lending and exchange services in minority (Serb) areas to foster growth of the bank and achieve development objectives of the KBF project.*** The KBF management team (especially those leading the lending unit) worked hard to establish and open an office in the minority area of Zvecan; identify good potential loan clients; make site visits; and prepare loan recommendations. This office was the result of collective efforts by the KBF team in Kosovo and the DTTEM home office staff. Additionally, KBF management took advantage of an opportunity to provide currency exchange services in the minority areas in order to provide this much-needed service to

these customers and strategically position the ABK for further expansion in the Serb territories.

2. **Smooth transition to new Chief of Party:** In March the Chief of Party, Steve Strauss, stepped down and Veronica Gilbert stepped into the role on an interim basis to ensure continuity on the project. For approximately three weeks she acted as COP in Kosovo until the new Chief of Party, Alan Pieper, assumed the position. DTTEM worked with both Steve and Alan to ensure a smooth COP transition, and the staff was notified of the development. Additionally, the position that Alan formerly occupied, Senior Credit Manager, was seamlessly taken over by Phil Jones (formerly Loan Officer).
3. **Identification and recruitment of expatriate professionals for priority activities.** The project management team continued to evaluate the staffing and resource needs of the project in both the lending unit and the bank. During Period Two, it was determined that more expatriate resources would be needed in the bank to assist with the management, structure and development of the organization. This need was due to the current level of experience and knowledge in the local market as well as the many initiatives (such as ATMs and branches) that the ABK was pursuing. The project management team recruited qualified professionals who could bring the needed technical assistance to the project. The individuals included: a new Chief Financial Officer, a Chief Operating Officer, an Internal Audit expert; a manager to work on building a branch network, a professional consultant to focus on ATMs, an Information Technology specialist, an experienced Human Resources professional to assist the local HR Manager, a Lawyer to provide legal advisory services regarding the acquisition of branches and other matters, and a Loan Officer to work in minority (Serb) areas. Additionally, a Corporate Finance Specialist from Deloitte Touche was put in touch with the COP, CEO and USAID/Kosovo to assist with the response to RZB regarding the potential purchase of ABK shares and preparation for negotiations with RZB.
4. **Focus on Globus and other finance/accounting issues.** Admittedly, there have been some problems with the Globus system used in the ABK. These problems were not severe enough to disrupt daily operations, but they did present challenges to increased efficiency and growth of the bank. KBF Project Management and the CEO engaged in some initial investigation and discussions to clarify the specific problems and took action to resolve the problems. For example, Temenos (Globus vendor) was contacted and the CEO insisted on improved and additional services at little or no cost and on necessary software/hardware at a discount; targeted meetings were held between the ABK Finance/IT team and the Lending Unit to clarify needs for accurate loan accounting; and an IT specialist was brought in to assess IT needs and how Globus can/cannot respond to them and help implement next steps accordingly. Also, a DTTEM accountant conducted a financial management review of the project in Kosovo in order to evaluate current processes and ensure fair, accurate, and timely reporting of KBF operations and to obtain reasonable assurance that systems and procedures were in place to safeguard information and detect irregularities for a growing loan portfolio. Several recommendations were made and implemented by the team in order to address the issues highlighted.



5. **Building of an integrated, team-oriented staff for enhanced cooperation and communication amongst themselves and with USAID/Kosovo, in order to facilitate meeting project objectives.** The integration of the KBFF lending team into the ABK was an important event during Period Two. Organizationally, the KBFF team was placed under the CEO (while still working within the KBF project) and a separate Credit Administration Unit was created and staffed. KBF Management held staff meetings and emphasized the transition from two separate entities (KBFF and ABK) to one and how important it was for staff to do their part within the ABK to further overall project objectives (the reasons why the ABK was created). An ABK Management team was organized and regular meetings began to be held, chaired by the CEO and COP. The Project Manager and Project Coordinator attended these meetings while in Kosovo and assisted when/where necessary, such as with the training, to further develop staff and orient them to ABK goals. The DTTEM Partner Robin McPhail visited the project and met with ABK management, spoke on-one-on with all expatriates, and met several local Kosovar staff in order to assess the team and any needs they/the project may have. He also reiterated project objectives with everyone and motivated the team to work towards set goals. Additionally, the team was encouraged to contact and meet regularly with USAID/Kosovo to keep them updated on developments of ABK initiatives and project matters, and to incorporate their input as appropriate.
6. **Planning for Year 2 and Year 3 of the Project.** The project management team continued to closely monitor the project budget to assure that all needs were met within the budget. Further planning for Year Two and Year Three of the project was conducted through the analysis of expatriate and local staffing, KBF/ABK initiatives, and the current and projected budget figures. As the structure of the Bank and the growth of lending and other services became more evident, the project team developed a realistic picture for a Year 2 and Year 3 budget. The team also took into account the revised benchmarks and targets of the KBF Award Fee Program. Many team members contributed to the planning as well as the budget projections for both the bank and the project for the next two years. Additionally, contract and budget specialists with DTTEM home office were involved to ensure compliance with USAID regulations and budgeting guidelines.

This section has highlighted some of the accomplishments with regards to organization and management of the KBF project. Period Two (mid-November 2001 through mid-May 2002) was a time of much activity as well as planning on the project. The list of initiatives included:

- ABK branching;
- mobile banking;
- ATMs;
- IT/Globus;
- deposit mobilization;
- marketing;

- human resources development;
- customer service;
- training;
- planning for internal and external audits
- potential sale of ABK shares to RZB

KBF/ABK management are committed to continued progress and success on these initiatives and will strive for excellent organization and management in Year Two and Year Three of the project as it has done in Year One.

We incorporate by reference the Monthly Progress Reports from November 2001 to April 2002 as a source of specific information on our progress in this regard. A summary of benchmark achievements is included in Appendix A. Appendix B contains an organizational structure chart of the ABK for review. Appendices C and D provide more detailed information on the lending activities at ABK during this evaluation period.

### **Loan Disbursements and Deposits**

**Evaluation Criteria:** 200 loans booked with a total value of 10,300,000 DM. Delinquencies over 12 months in length 10% or less. Deposits greater than 16,000,000 DM.

#### *Volume of Loans Booked*

The Credit Operations of the KBF project processed and approved 260 SME loans during the evaluation period, as of May 10, 2002. Of those, 248 loans were approved by USAID, and were either disbursed or are in the process of disbursement. The remaining twelve loans had been approved by KBFF and have been submitted to USAID for approval.

The KBF team continues to work in close collaboration with KBS and other donor funded projects in Kosovo. Of the 260 loans approved by KBFF, 73 are joint customers with KBF's sister project, the Kosovo Business Support (KBS) project. In addition, 14 loans were referred by the USAID funded Cooperative Housing Foundation (CHF) project, and 6 loans were referred by the USAID funded International Fertilizer Development Center (IFDC). The KBF project places a high priority on cooperating with other NGO's in Kosovo and processing their clients because by having the expertise of another development project supporting borrowers' businesses, the resulting credit risk exposure is much lower to KBFF.

Appendix E, "Loan Approval and Disbursement Schedule", shows detailed information on the status of each loan that has been approved and/or disbursed by the project. In addition, the project team continues to maintain an active pipeline as 156 loans are currently in various stages of application.

Appendix F provides further information on the loan portfolio and the estimated employment impact.

### *Value of Loans Disbursed*

The Credit Operations of the KBF project processed and approved 7.492 million Euro (USD6.5 million or 13.4 million DM) in SME loans (260 loans) during the evaluation period. Of those, 228 loans totaling 6.049 million Euro (USD5.3 million or 10.9 million DM) had been disbursed as of May 10, 2002.

### *Delinquencies*

All borrowers are required to make monthly repayments on the 10<sup>th</sup> and/or 25<sup>th</sup> of each month. As of May 10<sup>th</sup>, no loans were delinquent over 12 months in length. However, there were 8 loans in arrears for less than 3 months. These 8 loans represent a delinquency rate of 3.5% as a percent of the number of loans disbursed. On these 8 loans, the total amount of principal in arrears was 108,623 Euro, representing a delinquency rate of 1.7% relative to the total amount of principal disbursed.

### *Value of Deposits Mobilized*

As of May 10, 2002, ABK had maintained a deposit level of approximately 30 Million DM (16 Million Euros), nearly doubling the project benchmark of 15.9 Million DM (approximately 8 Million Euros). The team has exceeded the evaluation period 2 targets by greater than 100% of the benchmark.

### *Jobs Created*

If we use the figure of 5,000 DM in loans disbursed equates to one new job (as stated in the KBF RFP), then the number of jobs created is 2,180 (10.9 million DM disbursed as of May 10 divided by 5,000). This job creation number exceeds the set benchmark of 2,060 for Year 1. There are, however, different ways to estimate job creation. For example, one of the questions that KBF lending staff asks applicants during the loan application process is, "How many people do you expect to hire if KBFF approves your financing request?" This number is difficult to verify, but lending staff and KBF credit management review the number and type of jobs being created to determine if the response is reasonable given the activities of the business and nature of the financing purpose. Based on responses from the 260 approved loan applicants, KBFF financing will result in the direct creation of 1,153 new jobs; 1 job for each 6,498 Euro of loan volume. This figure, however, does not take into account any indirect job creation. As the RFP, proposal and KBF contract use the figure of 5,000 DM equates to one new job, we assume that our performance is to be measured against this target. The job creation estimate and target, however, may be a topic for discussion with USAID with regards to measuring performance in Year 2 and Year 3.

### 3.0 EVALUATION PERIOD 8 –CAPITAL IN BANKING INSTITUTION

#### American Bank of Kosovo (Bank)

Targets	Progress to Date	Maximum Award Amount*
<i>Percentage of Total Share in Banking Institution Owned by Reputable Foreign Financial Institution</i>	RIAS currently owns a small percentage of the bank capital	\$46,088

\* Based on the Award Fee Amount Stated in Attachment 1

#### Percentage of Total Share in Banking Institution Owned by Reputable Foreign Financial Institution

**Evaluation Criteria:** *Greater than or Equal to 10% within Year 1 of the Contract*

On the initial opening of the bank in November 2001, Rabobank International Advisory Services (RIAS) owned approximately 3% of the bank's capital. Since November, however, in order to be eligible for Tier III qualification by the BPK, KBFF began transferring several of the loans to the ABK in exchange for capital ownership of the bank. Due to this transfer, the percentage ownership by RIAS has been diluted to approximately 1% of the total bank capital.

Since the start of the project, the team has managed to maintain in close contact with representatives from Raiffeisen Zentral Bank (RZB), one of Austria's leading banks. In March, representatives from RZB came to Prishtina for the specific purpose of evaluating the market to determine the investment potential for the ABK. The visit went exceptionally well and several follow up discussions have taken place. The team from RZB has presented their findings on the ABK and the Kosovo market to their board of directors and continues to express interest in the potential investment. Discussions will continue through the following months in attempts to determine whether an agreement can be structured between USAID and RZB.

## APPENDICES

## Appendix A - Progress Against Other Benchmarks

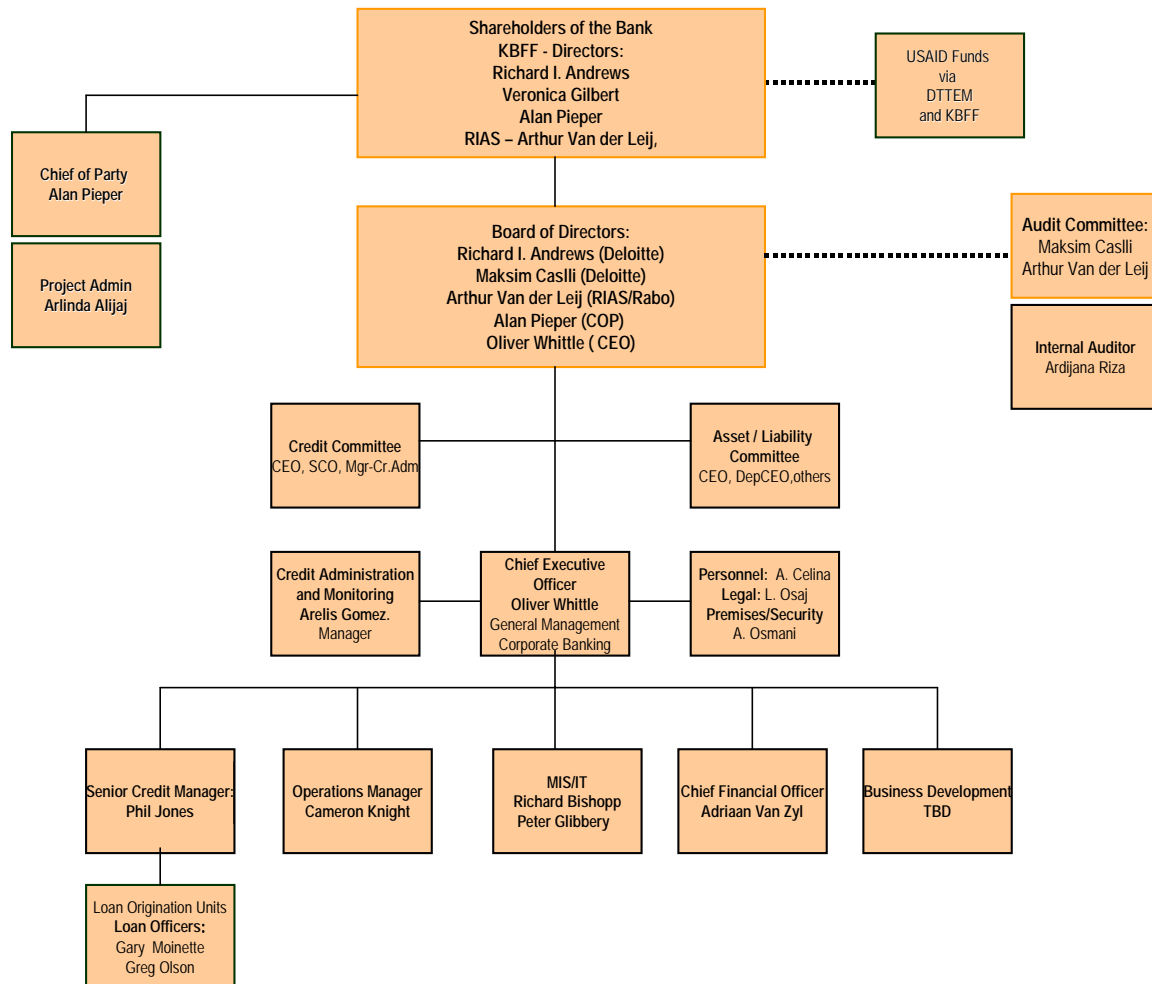
The following table illustrates the progress made by the KBFF team through May 10, 2002 towards fulfillment of specific benchmarks set by USAID. All benchmarks set for the first year of the project have been met or exceeded.

	Completed Benchmarks	Comments
<b>Within 30 Days</b>		
1	<i>Comprehensive work plan to be approved by USAID</i>	<ul style="list-style-type: none"> <li>The first draft of the work plan was completed and submitted to USAID in June, 2001</li> <li>The final draft was approved by USAID in July 2001</li> </ul>
2	<i>Comprehensive set of oversight procedures</i>	<ul style="list-style-type: none"> <li>Deloitte has established several oversight procedures to ensure the smooth operation of the project</li> <li>The team continues to adapt procedures, as necessary, to ensure the success of the project</li> </ul>
3	<i>Apply for lending license</i>	<ul style="list-style-type: none"> <li>KBFF applied and was granted a lending license in June, 2001</li> </ul>
4	<i>Establish and staff the Loan Unit office</i>	<ul style="list-style-type: none"> <li>The KBF project team hired several Kosovar employees and moved into their offices at Aktash III in June, 2001</li> <li>The team will continue to recruit and train employees as needed</li> </ul>
<b>Within 60 Days</b>		
5	<i>Establish a budget and projected revenues</i>	<ul style="list-style-type: none"> <li>A budget was established for the project in June and has been reviewed with the project staff in order to ensure its adequacy</li> <li>Cost control measures are continuously being evaluated and applied as necessary</li> </ul>
6	<i>Establish framework operating procedures such as will ensure prudent operations</i>	<ul style="list-style-type: none"> <li>Operating procedures were established for KBFF, including lending procedures, loan disbursement procedures, and daily operating procedures</li> </ul>
7	<i>Provide USAID with a comprehensive design for the establishment of a full service banking institution</i>	<ul style="list-style-type: none"> <li>A work plan was submitted to USAID in July, 2001 detailing the operating procedures and work plan for establishing a full service bank institution</li> </ul>
8	<i>Detailed plan describing the proposed fiduciary responsibilities of a commercial banking institution towards USAID after the completion of the initial three year program implementation period</i>	<ul style="list-style-type: none"> <li>An amendment was made to the contract detailing the responsibilities of the Kosovo American Bank in reporting to USAID</li> <li>A relationship with USAID and Deloitte in the daily operations of the Bank has been established</li> </ul>
<b>Within 90 Days</b>		
9	<i>Complete a database of Kosovar companies with financial data and credit requirements</i>	<ul style="list-style-type: none"> <li>A database has been established by the project staff to include several Kosovar companies eligible for loan funds from KBFF.</li> <li>The database continues to be expanded based on new contacts made by the lending team</li> </ul>
10	<i>Commence training of Kosovar staff in SME lending practices</i>	<ul style="list-style-type: none"> <li>The lending team has received on-the-job training since the first day of hire</li> <li>An intensive training session was held for the lending staff in August, 2001, incorporating SME lending procedures</li> <li>Follow-on training sessions are planned for when the lending associates are a bit more experienced</li> </ul>
11	<i>Draft operational structure, credit policies and procedures, loan follow-up and recovery policies, accounting systems, loan</i>	<ul style="list-style-type: none"> <li>KBFF opened its doors to customers in June, 2001</li> <li>Lending procedures have been established and are detailed in the credit manual distributed to staff and</li> </ul>

	<i>and collateral documentation and oversight and audit functions established Lending Unit to become licensed and formally opened with staff fully trained</i>	<ul style="list-style-type: none"> <li>used to guide them on lending procedures at KBFF</li> <li>Staff has received training in Financial Analysis, credit and lending.</li> <li>The Loan Information System was established as a means to track loans and repayment history</li> </ul>
12	<i>A minimum of 50 business plans and loan applications prepared</i>	<ul style="list-style-type: none"> <li>The staff is well on their way to having 50 loan applications completed</li> <li>As agreed with USAID and the KBS project, the KBFF team does not prepare business plans for its clients</li> </ul>
<b>Within 120 Days</b>		
13	<i>Establish contractual agreement to ensure proper representation, reporting and commitment to adhere to prudent lending activities as well as continue the activities of the Lending Unit</i>	<ul style="list-style-type: none"> <li>Contractual agreements have been established</li> </ul>
14	<i>In conjunction with USAID, determine a partner bank/institution to form the business bank</i>	<ul style="list-style-type: none"> <li>RIAS/Rabobank has been working as a subcontractor to Deloitte to assist with the establishment of the bank since project inception</li> </ul>
<b>Within 150 Days</b>		
15	<i>The banking institution is provided an operating license</i>	<ul style="list-style-type: none"> <li>A preliminary operating license was granted to the American Bank of Kosovo in October, 2001</li> </ul>
<b>Within 180 Days</b>		
16	<i>Commence deposit gathering activities</i>	<ul style="list-style-type: none"> <li>Deposit gathering activities commenced on November 12, 2001</li> </ul>
17	<i>50 loans booked</i>	<ul style="list-style-type: none"> <li>61 loans booked</li> </ul>
18	<i>2,000,000 DM disbursed</i>	<ul style="list-style-type: none"> <li>2,200,000 DM disbursed</li> </ul>
19	<i>400 jobs created (cumulative)</i>	<ul style="list-style-type: none"> <li>Nearly 500 jobs created</li> </ul>
<b>Within 270 Days</b>		
20	<i>Deposit gathering - DM 9,000,000</i>	<ul style="list-style-type: none"> <li>Deposit level exceeded 30 Million DM</li> </ul>
21	<i>120 loans booked (cumulative)</i>	<ul style="list-style-type: none"> <li>182 loans booked</li> </ul>
22	<i>5,500,000 DM disbursed (cumulative)</i>	<ul style="list-style-type: none"> <li>Over 8,000,000 DM disbursed</li> </ul>
23	<i>1100 jobs created</i>	<ul style="list-style-type: none"> <li>Approximately 1,000 jobs created</li> </ul>
<b>Within 360 Days</b>		
24	<i>Provide funding of a commercial banking partner institution</i>	<ul style="list-style-type: none"> <li>RIAS currently owns approximately 1% of bank capital</li> </ul>
25	<i>Deposit gathering - DM 15,000,000</i>	<ul style="list-style-type: none"> <li>Deposit level exceeded 30 Million DM</li> </ul>
26	<i>200 loans booked</i>	<ul style="list-style-type: none"> <li>260 loans booked</li> </ul>
27	<i>10,300,000 DM disbursed</i>	<ul style="list-style-type: none"> <li>10,900,000 million DM disbursed</li> </ul>
28	<i>2,060 jobs created</i>	<ul style="list-style-type: none"> <li>Approximately 2,180 jobs created</li> </ul>

## Appendix B - Bank Structure

# American Bank of Kosovo





## Appendix C - Lending Activity

KOSOVO BUSINESS FINANCE FUND Loan Approval and Disbursement Schedule as of May 10, 2002								
	Referred By	Loan No.	Company Name	Industry Sector	Loan Term Months	Amount Approved	Amount Disbursed	Date Disbursed
Disbursed or Ready to be Disbursed:								
1		19	Te Hysi	Manufacturing/Wood/Furniture	6	119,547.71	119,547.71	9/5/01
2		21	Sara	Service/Hotel	24	30,677.51	30,677.51	9/13/01
3		22	Apollonia-Azemi	Trade/Food Distribution	6	46,016.27	46,016.27	9/17/01
4	KBS	23	Merkuri	Manufacturing/Electrical	36	204,516.75	173,161.73	9/19/01
5		39	RIZA Company	Service/Optical	4	25,564.59	25,564.59	9/28/01
6	KBS	18	Exclusive Viva	Manufacturing/Paper Products	36	30,677.51	30,677.51	10/3/01
7	KBS/Walk in	150	Egzoni	Manufacturing/Leather Goods	6	32,722.68	32,722.68	10/3/01
8	KBS	141	Kushtrim Commerce	Production/Food/Corn flaps	18	20,451.68	20,451.68	10/5/01
9		188	Jehona	Manufacturing/Textile/Apparel	2	5,112.92	5,112.92	10/9/01
10	KBS/Walk in	3	Luma Commer	Production/Food/Dairy	6	25,564.59	25,564.59	10/16/01
11	KBS	189	Gacaferri	Manufacturing/Wood Products	8	30,677.51	30,677.51	10/19/01
12		31	Opel Rakovica	Service/Automotive	4	28,121.05	28,121.05	10/19/01
13		1	MonteBene	Manufacturing/Textile/Apparel	2	15,338.76	15,338.76	10/19/01
14		186	Pepi Impex	Production/Food/Mushrooms	2	17,895.22	17,895.22	10/19/01
15		91	Apollonia-Maloku	Manufacturing/Wood Products	11	66,467.94	66,467.94	10/22/01
16	IFDC	207	AC VLERE	Trade/Fertilizer Distribution	5	112,484.21	112,484.21	10/23/01
17	KBS	194	EVKO	Production/Food Products	6	20,451.68	20,451.68	10/25/01
18		172	Trim	Production/Soft Drinks	18	51,129.19	51,129.19	10/25/01
19	KBS	232	Mimoza Collection	Manufacturing/Textile/Apparel	6	20,451.68	20,451.68	10/25/01
20		231	Meja	Manufacturing/Plastic doors	8	10,225.84	10,225.84	10/25/01
21		38	Restaurant RIO	Service/Restaurant	12	35,790.43	35,790.43	10/25/01
22		61	Halitaj	Production/Food/Meat process.	11	30,677.51	30,677.51	10/25/01
23	KBS	128	Bucaj Co.(Alfa)	Trade/Grocery Retail	10	46,016.27	46,016.27	10/26/01
24	KBS	228	Savada	Production/Hygienic/Detergent	6	15,338.76	15,338.76	11/5/01
25	KBS	244	Bast	Manufacturing/Plastic bottles	9	23,008.13	23,008.13	11/5/01
26	KBS	153	Agro Albi	Production/Food/Vegeta	11	40,903.35	40,903.35	11/9/01
27		247	El-Plast	Manufacturing/Printing	10	10,225.84	10,225.84	11/12/01
28		62	Hiti	Manufacturing/Plastic doors	10	59,309.86	59,309.86	11/12/01
29		264	Hoxhaj	Manufacturing/Wood	10	10,225.84	10,225.84	11/26/01
30		225	Teuta Mi	Manufacturing/Textile/Blanket	6	35,790.43	35,790.43	11/27/01
31		160	Rilindi	Manufacturing/Wood	6	20,451.68	20,451.68	11/30/01
32	KBS	242	Bleta	Production/Food/Honey	5	7,669.38	7,669.38	11/30/01
33		250	Pandora	Manufacturing/Pipes	12	61,355.03	61,355.03	11/30/01
34	KBS/Walk in	149	Oti Market	Manufacturing/Concrete	11	76,693.78	76,693.78	12/3/01
35		74	Goni Impex	Manufacturing/Wood	6	51,129.19	51,129.19	12/3/01
36		102	Adra	Production/Gravel	11	25,564.59	25,564.59	12/4/01
37		14	Mobilieria Kosova	Manufacturing/Wood/Furniture	6	51,129.19	51,129.19	12/6/01
38		203	Broja Market	Manufacturing/Textile/Blankets	6	25,564.59	25,564.59	12/7/01
39		275	Rilindi	Manufacturing/Wood	8	10,225.84	10,225.84	12/7/01
40	KBS/Walk in	253	Paradiso	Manufacturing/Marble	12	30,677.51	30,677.51	12/7/01
41	KBS/Walk in	24	Meha Commerce	Production/Hygienic/Bleach Acid	6	15,338.76	15,338.76	12/7/01
42	KBS/Walk in	178	Enterieri Modern	Manufacturing/Wood/Furniture	10	35,790.43	35,790.43	12/10/01
43	CHF	263	Mariashi	Manufacturing/Wood	10	15,338.76	15,338.76	12/13/01
44	KBS	197	Beha	Manufacturing/Textile/Apparel	9	10,225.84	10,225.84	12/13/01
45		312	Te Bilali	Production/Food/Bakery	12	30,677.51	30,677.51	12/13/01
46	KBS/Walk in	179	Vellezerit Sylja	Manufacturing/Wooden Pallets	6	10,225.84	10,225.84	12/14/01
47	KBS/Walk in	304	Vellezerit Sylja	Manufacturing/Wooden Pallets	11	30,677.51	30,677.51	12/14/01
48		204	Skenderaj Commerce	Manufacturing/Wood	6	23,008.13	23,008.13	12/19/01
49		25	Tolaj	Manufacturing/Concrete	10	46,016.27	46,016.27	12/19/01
50		228	Besnik	Manufacturing/Wood Articles	18	25,564.59	25,564.59	12/21/01
51		9	Dardan Commerce	Manufacturing/Wood/Furniture	10	51,129.19	51,129.19	1/4/02
52		245	Artjet Co	Production/Food	10	30,677.51	30,677.51	1/8/02
53		289	Vellezerit Mustafa	Production/Milling plant	5	25,564.59	25,564.59	1/14/02
54		254	Prapashtica	Production/Milling plant	7	16,872.63	16,872.63	1/17/02
55	KBS/Walk in	314	Fati	Production/Food Articles	6	30,677.51	30,677.51	1/17/02
56		198	Metal teknika Asllani	Manufacturing/Metal Products	2	51,129.19	51,129.19	1/17/02
57		318	Thana	Production/Food/Milk products	8	10,225.84	10,225.84	1/17/02
58		315	Dafina	Production/Textile/Carpets,Blankets	9	51,129.19	51,129.19	1/17/02
59		169	Burimi Company	Production/Milling plant	8	51,129.19	51,129.19	1/17/02
60	KBS/Walk in	337	Bibita	Production/Soft Drinks	5	15,338.76	15,338.76	1/21/02
61		357	S.Morina	Manufacturing/Construction	12	76,693.78	76,693.78	1/22/02
62	CHF	347	Dardani-Q	Manufacturing/Wood/Furniture	9	15,338.76	15,338.76	1/22/02
63		105	Gryka e Llapushnikut	Manufacturing/Plastic pipes	12	76,693.78	76,693.78	1/22/02
64	CHF	346	Bekimi	Manufacturing/Metal Products	10	10,225.84	10,225.84	1/28/02
65	KBS/Walk in	255	Ilirida	Production/Food/Coffee	10	18,000.00	18,000.00	1/29/02
66		109	Azemi	Manufacturing/Wood, planks	10	30,677.00	30,677.00	2/5/02
67		373	Qingji	Production/Food/Meat process.	7	17,850.00	17,850.00	2/5/02
68		166	Murat	Manufacturing/Construction	6	55,000.00	55,000.00	2/5/02
69		369	Fellini	Production/Food, Cookie	11	20,000.00	20,000.00	2/6/02
70		372	Bibi Comerc	Production/Food, Coffee	12	51,000.00	51,000.00	2/7/02
71		389	Maxhuni Trans	Manufacturing/Textile/Apparel	12	20,000.00	20,000.00	2/7/02
72		335	Komplast	Manufacturing/Plastic pipes	7	35,790.43	6,725.83	2/8/02
73	KBS	376	Saj-Glass	Manufacturing/Glass processing	10	25,500.00	25,500.00	2/11/02
74		44	Iliria	Manufacturing/Wood, windows	9	35,000.00	35,000.00	2/18/02
75	KBS/Walk in	291	Salcom International	Manufacturing/Wood/ Food	8	51,129.19	30,000.00	2/18/02
76	KBS	377	Kulla	Manufacturing/Concrete	6	25,000.00	25,000.00	2/18/02
77	KBS/Walk in	299	Hekurani	Manufacturing/Metal Products	8	30,000.00	30,000.00	2/18/02
78		388	Pepi Impex 2	Production/Food/Mushrooms	15	40,000.00	40,000.00	2/19/02
79		129	Gacaferri	Manufacturing/Wood Products	6	12,782.30	12,782.30	2/21/02
80	KBS	400	Besa Union	Manufacturing/Assembling Etc.Boxes	7	10,000.00	10,000.00	2/21/02
81		298	Perani	Manufacturing/Wood/Furniture	12	50,000.00	50,000.00	2/21/02
82	KBS	374	Rrecaj	Manufacturing/Concrete	8	20,000.00	20,000.00	2/21/02
83	KBS/Walk in	450	Breza	Production/Food/ Sweets	9	4,000.00	4,000.00	2/25/02
84		365	NTP Menti	Manufacturing/Concrete	10	20,000.00	20,000.00	2/26/02
85	KBS/Walk in	33	Kamilja	Manufacturing/Concrete	9	20,000.00	20,000.00	2/26/02
86	KBS	384	Pro-Eng	Building Construction	13	50,000.00	50,000.00	2/27/02
87	KBS/Walk in	323	Sharbegi	Manufacturing/Wood/Doors Windows	5	50,000.00	50,000.00	2/27/02
88		402	Berto	Manufacturing/Wood/Furniture	9	30,000.00	30,000.00	2/27/02
89		422	Rinia	Manufacturing/Wood/Furniture	8	30,000.00	30,000.00	2/27/02
90	KBS	229	Comel	Manufacturing/Printing	10	51,129.19	51,129.19	3/1/02
91		415	Liridoni	Manufacturing/Concrete	9	20,451.00	20,451.00	3/1/02
92	KBS	302	Elting	Manufacturing/Telecommunications	15	41,000.00	41,000.00	3/4/02
93		397	Loni Co.	Manufacturing/Concrete	7	22,000.00	22,000.00	3/4/02
94		423	Edona	Manufacturing/Wood/Planks	9	12,500.00	12,500.00	3/4/02
95		391	Lajqi Mermer	Manufacturing/Marble	8	12,800.00	12,800.00	3/6/02
96		425	Eleganca	Manufacturing/Concrete	8	17,500.00	17,500.00	3/6/02
97		437	Blokpreres	Manufacturing/Concrete	3	7,500.00	7,500.00	3/6/02
98		424	Trans Komerc	Manufacturing/Plastic bottle	9	25,000.00	25,000.00	3/6/02
99	KBS/Walk-in	414	Vellazerit Podvorica	Manufacturing/Concrete	9	22,500.00	22,500.00	3/6/02

101	KBS/Walk in	274	Paradiso	Manufacturing/Marble	8	46,016.27	46,016.27	3/8/02
102		288	Menti	Manufacturing/Concrete	10	51,129.19	51,129.19	3/8/02
103	KBS	383	Fauna	Service/Veterinary	10	23,000.00	23,000.00	3/8/02
104		408	Bislimi	Manufacturing/Textile/Thread rolls	3	20,450.00	20,450.00	3/8/02
105	KBS	416	Vali Comerc	Production/Food/Bakery	12	40,000.00	40,000.00	3/8/02
106		224	Alfa IMP-EXP	Manufacturing/Wood/Furniture	24	76,693.79	46,016.27	3/11/02
107		390	Grafo Art	Manufacturing/Printing	6	8,000.00	8,000.00	3/11/02
108	CHF	356	Bekimi	Manufacturing/Metal Products	14	15,338.00	15,338.00	3/12/02
109		294	Bestin	Production/Food Products	6	51,129.18	51,129.18	3/12/02
110		411	California	Producing/Farm/Fish	6	15,000.00	13,000.00	3/14/02
111		426	Burimi Bicaj	Production/Farm/Fish	6	10,000.00	10,000.00	3/14/02
112		403	Gerguri	Manufacturing/Wood/Furniture	4	50,000.00	50,000.00	3/14/02
113		420	Mentori	Manufacturing/Wood/Doors	8	10,000.00	10,000.00	3/14/02
114	KBS	474	Agencija Miladinovic	Manufacturing/Concrete	9	5,000.00	5,000.00	3/18/02
115		475	Klub B	Services/Restaurant	9	7,000.00	7,000.00	3/18/02
116	KBS	378	Venena	Manufacturing/Cosmetics	7	25,000.00	25,000.00	3/19/02
117		443	Bequku	Manufacturing/Concrete	8	25,000.00	25,000.00	3/19/02
118		446	Siprint	Manufacturing/Printing	10	40,000.00	40,000.00	3/19/02
119		368	Serpo-Pegas	Manufacturing/Printing	10	35,790.00	35,790.00	3/21/02
120	KBS/Walk in	447	Fonako	Manufacturing/Metal Processor/Iron	15	30,000.00	15,000.00	3/21/02
121		405	Art Company	Manufacturing/Metal processor/Scrap	12	75,000.00	75,000.00	3/21/02
122		446	Partini	Production/Soft drinks	12	12,500.00	12,500.00	3/21/02
123	KBS	362	Adriatic Commerce	Production/Hygienic/Other	10	40,903.35	40,903.35	3/22/02
124		262	Gigi Gillas	Manufacturing/Glass Processing	7	12,000.00	12,000.00	3/22/02
125		445	Kristal	Manufacturing/Wood/Furniture	9	30,000.00	30,000.00	3/26/02
126		406	Liamkos	Manufacturing/Metal Processing	9	15,300.00	15,300.00	3/26/02
127		459	Ferizi	Manufacturing/Metal Products	8	25,000.00	25,000.00	3/26/02
128	KBS	458	Fructus	Production/Food articles	12	120,000.00	120,000.00	3/27/02
129		454	Elbasani	Production/Food/Bakery	11	25,500.00	25,500.00	3/29/02
130	KBS/Walk in	442	Galaktika	Manufacturing/Wood Products	16	20,000.00	20,000.00	3/29/02
131		484	Tisi-5	Manufacturing/Wood/Doors	11	35,000.00	35,000.00	4/3/02
132		467	Apollonia-Azemi 2	Trade/Food Distribution	6	100,000.00	100,000.00	4/3/02
133	KBS	418	Ejona	Manufacturing/Piping/Plumbing	9	30,000.00	30,000.00	4/4/02
134	KBS/CHF	428	Feral	Manufacturing/Metal Products	15	20,450.00	20,450.00	4/5/02
135		485	Te Hysi 2	Manufacturing/Wood/Furniture	6	125,000.00	125,000.00	4/5/02
136		489	Vellezerit Ramadani	Manufacturing/Wood/Furniture	8	50,000.00	50,000.00	4/5/02
137		491	Likoshani	Manufacturing/Printing	9	20,000.00	20,000.00	4/5/02
138	KBS/Walk in	363	Agroprodukt	Manufacturing/Wood/windows	9	15,338.76	15,338.76	4/9/02
139		487	Kuki	Manufacturing/Wood/Furniture	12	8,500.00	8,500.00	4/9/02
140	KBS/Walk-in	483	Hekurani Company	Production/Food articles	11	20,000.00	20,000.00	4/10/02
141		173	Limit	Production/ Painting colours	18	40,000.00	40,000.00	4/12/02
142	CHF	371	Zatriqi	Manufacturing/Gravel	5	17,900.00	17,900.00	4/16/02
143		504	Liburnia Impex	Manufacturing/Concrete	6	16,000.00	16,000.00	4/16/02
144	IFDC	503	Jaffa Commerce	Producing/Farm/Eggs	8	30,000.00	30,000.00	4/18/02
145		417	Jeta	Manufacturing/Wood/Panels	10	13,000.00	13,000.00	4/19/02
146		473	Lika Trade	Manufacturing/Gravel	10	50,000.00	50,000.00	4/19/02
147		524	Sigurimi	Manufacturing/Metal products	5	7,000.00	7,000.00	4/19/02
148	KBS/Walk in	439	Afion	Production/Food/Dairy	12	30,000.00	30,000.00	4/19/02
149		536	Jellak	Manufacturing/Wood	6	15,000.00	15,000.00	4/19/02
150		462	Tolaj Trade	Manufacturing/Concrete	5	10,000.00	10,000.00	4/22/02
151	KBS	505	Elsam Co.Eurometal	Manufacturing/Metal products	6	40,000.00	40,000.00	4/22/02
152		525	Bes company	Manufacturing/Concrete	7	25,000.00	25,000.00	4/22/02
153	KBS	508	Diti Flips	Production/Food/Corn flaps	10	15,000.00	15,000.00	4/22/02
154	KBS	530	Progresi	Production/Food/Meat processing	8	15,350.00	15,350.00	4/22/02
155		550	Sadben Commerce	Manufacturing/Wood/Furniture	7	6,000.00	6,000.00	4/22/02
156	KBS	456	Valoni	Production/Milling plant	10	50,000.00	50,000.00	4/23/02
157		499	GB	Manufacturing/Metal products	7	11,000.00	11,000.00	4/23/02
158		518	Qali	Manufacturing/Concrete	7	17,000.00	17,000.00	4/23/02
159		543	Agimi	Manufacturing/Wood products	10	15,000.00	15,000.00	4/23/02
160	KBS	497	Vellezerit Hajdaraj	Production/Food/Meat processing	11	15,000.00	15,000.00	4/23/02
161		546	Graniti-XH. K.	Manufacturing/Concrete	8	10,000.00	10,000.00	4/23/02
162		516	Globus-Tradin Compa	Manufacturing/Metal products	7	7,000.00	7,000.00	4/23/02
163		461	Qerimi 2	Production/Food/Bakery	7	20,000.00	20,000.00	4/24/02
164		158	Serafina	Manufacturing/Wood/Doors	8	10,000.00	10,000.00	4/24/02
165		535	Petrova Commerce	Production/Milling plant	9	25,000.00	25,000.00	4/24/02
166		496	Smallusha	Sevice/Vehicles	12	10,000.00	10,000.00	4/25/02
167		521	Desave	Manufacturing/Wood/Furniture	8	15,000.00	15,000.00	4/25/02
168	KBS	440	Gateri	Manufacturing/Wood Products	12	25,500.00	25,500.00	4/25/02
169		500	Jehona 2	Manufacturing/Textile/Apparel	3	2,470.00	2,470.00	4/25/02
170		560	Qerimi 1	Production/milling plant	7	20,000.00	20,000.00	4/25/02
171	CHF	441	Montkomerce	Manufacturing/Assembling power station	12	46,016.00	46,016.00	4/26/02
172		552	Auto shtepia Siqani	Service/Automotive	6	20,000.00	20,000.00	4/26/02
173		568	Geshtenja	Manufacturing/Wood/Planks	8	30,000.00	30,000.00	4/26/02
174		375	Drita	Manufacturing/Wood/Panels	7	15,000.00	15,000.00	4/26/02
175		561	Viti	Production/Food	12	40,000.00	40,000.00	4/26/02
176	IFDC	594	Liria	Production/Farm/Eggs	15	40,000.00	40,000.00	4/26/02
177		480	Adra 2	Manufacturing/Gravel	18	75,000.00	75,000.00	4/26/02
178	IFDC	593	Mulliri	Production/milling plant	7	7,000.00	7,000.00	4/26/02
179		248	Tahir Rexhepi	Manufacturing/Concrete	10	15,000.00	15,000.00	4/26/02
180		506	Liria-Kurtishi	Production/Food/Sweets	8	15,000.00	15,000.00	4/29/02
181		590	Rega Commerce	Manufacturing/Construction	7	30,000.00	30,000.00	4/29/02
182		549	Skenderaj Commerce	Manufacturing/Wood/Doors	12	30,000.00	30,000.00	4/29/02
183		547	Astrazubi	Manufacturing/Concrete	8	15,000.00	15,000.00	4/29/02
184		562	PTUT Radic Polje	Service/Restaurant	9	12,000.00	12,000.00	4/30/02
185		513	Dental	Services/Dentist	12	12,500.00	12,500.00	5/3/02
186		599	Xhevahir	Manufacturing/Glass processing	7	6,000.00	6,000.00	5/3/02
187		523	Europrint	Manufacturing/Printing	3	15,000.00	15,000.00	5/3/02
188	IFDC	551	Bereqeti	Production/milling plant	8	20,000.00	20,000.00	5/3/02
189		604	Oferta	Manufacturing/Wood/Doors and Window	6	15,000.00	15,000.00	5/3/02
190	KBS/Walk in	591	Gjini & Tag	Production/Farm/Eggs	6	18,000.00	18,000.00	5/3/02
191		572	Fabe Color	Manufacturing/Printing	12	8,000.00	8,000.00	5/6/02
192		486	Mebestil	Manufacturing/Wood/Furniture	18	25,000.00	25,000.00	5/6/02
193		493	Goni Impex 2	Manufacturing/Wood products	18	100,000.00	100,000.00	5/6/02
194		605	Gylfani	Manufacturing/Wood/Furniture	10	10,000.00	10,000.00	5/6/02
195	Mercy Corps	565	Eroderiteks	Manufacturing/Wood/Furniture	12	10,000.00	10,000.00	5/6/02
196		545	Beli Com	Manufacturing/Metal processing	10	15,000.00	15,000.00	5/7/02
197		512	Dizajn	Manufacturing/Wood/Doors	9	20,000.00	20,000.00	5/8/02
198	CHF	531	Logi	Manufacturing/Concrete	10	10,225.00	10,225.00	5/8/02
199		533	Sharri Lux	Manufacturing/Wood	6	15,000.00	15,000.00	5/8/02
200		571	E & S	Manufacturing/Concrete	8	15,000.00	15,000.00	5/8/02
201	CHF	567	Artani	Manufacturing/Plastic doors	8	13,000.00	13,000.00	5/8/02
202		509	Druri Impex	Manufacturing/Wood/Furniture	10	25,000.00	25,000.00	5/8/02
203	CHF	588	Vefa Dekor	Manufacturing/Wood/Furniture	12	30,000.00	30,000.00	5/8/02
204		626	Burimi-RK	Manufacturing/Concrete	6	13,500.00	13,500.00	5/8/02
205		519	EuroTrade	Manufacturing/Wood/Doors	7	11,000.00	11,000.00	5/8/02
206		433	Korenica	Manufacturing/Wood Products/Doors,wir	3	15,000.00	15,000.00	5/9/02
207		579	Bi-Pro	Manufacturing/Wood/Furniture	9	20,000.00	20,000.00	5/10/02
208		625	Emona Commerce	Production/Gravel	6	15,000.00	15,000.00	5/10/02
209	KBS/Walk in	367	A-Design	Manufacturing/Wood/Furniture	7	10,000.00	10,000.00	3/21/03

210		45 Alb Petrol	Manufacturing/Plastic bottles	24	153,387.56	0.00
211	KBS	238 Era	Manufacturing/Glass/Wood	8	33,745.26	0.00
212		387 ABO-S&I	Production/Food/Biscuits	16	35,000.00	0.00
213	KBS	385 Liri	Production/Food/Candy	12	20,452.00	0.00
214	KBS	490 Savada 2	Production/Hygiene/Detergent	15	35,800.00	0.00
215		511 Ukaj	Manufacturing/Wood/Furniture	12	25,000.00	0.00
216		111 Topanica Impex	Production/Food Products	15	76,693.78	0.00
217		541 Sharri Lux2	Manufacturing/Wood	12	9,000.00	0.00
218		563 S.P.U.R. Ribnjak	Production/Farm/fish	12	10,000.00	0.00
219	KBS/Walk in	556 Oferta	Manufacturing/Paper Bags	15	20,000.00	
220		553 Opel Rakovica	Service/Automotive	15	45,000.00	
221		537 Kristal Alumini	Manufacturing/Plastic doors	10	10,000.00	0.00
222		555 Bashkimi	Manufacturing/Concrete	9	15,000.00	0.00
223	CHF	582 Jasin	Manufacturing/Metal products	12	25,000.00	0.00
224	CHF	581 Arjeta	Manufacturing/Textile/Apparel	12	31,000.00	0.00
225	CHF	592 Elira	Manufacturing/Textile/Apparel	6	16,000.00	0.00
226	KBS	607 Triumfi	Service/Taximeters	10	15,000.00	0.00
227	KBS/Walk in	498 Geci	Production/Farm/Eggs	9	15,000.00	0.00
228		585 Agraria	Manufacturing/Food articles	8	25,000.00	
228		Sub-Total		9.4	6,793,897	6,048,592

**KOSOVO BUSINESS FINANCE FUND**  
**Loan Approval and Disbursement Schedule**  
**as of May 10, 2002**

Referred By	Loan No.	Company Name	Industry Sector	Loan Term Months	Amount Approved	Approval Dates	
						KBFF	USAID
<b>Approved by KBFF/USAID and In-Process of Closing:</b>							
1	KBS/KBFF Mkt	398 Unikat	Manufacturing/Textile/Apparel	10	17,900.00	1/25/00	2/4/02
2		410 Fortesa	Producing/Farm/Eggs	7	20,000.00	2/1/02	2/1/02
3	KBS	448 Luli	Production/Food/Meat process.	12	40,000.00	2/21/02	2/26/02
4		482 Donifert	Manufacturing/Gravel	13	75,000.00	3/8/02	3/13/02
5	IFDC	449 Standard	Production/Milling plant	11	15,000.00	3/8/02	3/27/02
6	KBS	284 Premium	Manufacturing/Telecommunications	10	15,000.00	3/8/02	3/27/02
7		494 As Dizajn	Manufacturing/Wood/Furniture	7	10,000.00	3/22/02	4/15/02
8		529 Toni	Production/Farm/Cattle	8	7,000.00	4/5/02	4/15/02
9	CHF	542 Rudi Metal	Manufacturing/Metal products	12	15,000.00	4/5/02	4/15/02
10	KBS/Walk in	522 Leci	Manufacturing/Metal products	9	13,000.00	4/12/02	4/25/02
11	KBS	558 Elton Zherka	Manufacturing/Construction	12	28,000.00	4/12/02	4/25/02
12		595 Opoja	Production/Farm/Eggs	10	10,000.00	4/19/02	5/2/02
13		574 3D	Manufacturing/Concrete	15	40,000.00	4/19/02	5/2/02
14		616 Ves Komerc	Production/Food/Bakery	12	10,000.00	4/24/02	5/2/02
15	KBS/Walk in	617 Galjak-Company	Manufacturing/Concrete	7	12,000.00	4/24/02	5/2/02
16		602 Arberia Turist	Manufacturing/Construction	10	10,000.00	4/19/02	5/2/02
17	KBS	618 Lidija	Production/Food/Mushrooms	8	3,000.00	4/24/02	5/2/02
18	KBS/Walk in	614 Mercom	Manufacturing/Plastic doors	6	25,000.00	4/28/02	5/2/02
19	KBS	619 Gamara	Production/Food/Cattle	10	5,000.00	4/24/02	5/2/02
20		622 Be-Bop	Service/Restaurant	12	5,000.00	4/24/02	5/2/02
20		Sub-Total		10.1	375,900.00		
<b>Approved by KBFF and awaiting USAID Approval:</b>							
1		290 Apollonia-Culaj	Services/Fair	4	25,564.59	11/26/01	
2		583 Kujtesa	Service/Internet provider	12	50,000.00	5/3/02	5/10/02
3		584 Eki Trade	Manufacturing/Concrete	7	20,000.00	5/3/02	5/10/02
4		587 Krajcova	Production/Food/Bakery	5	7,000.00	5/3/02	5/10/02
5		599 Mulliri (Enver Asllani)	Production/Milling plant	12	20,000.00	5/3/02	5/10/02
6		601 Benny	Wholesale/Eye glasses	12	30,000.00	5/3/02	5/10/02
7		611 Berati	Manufacturing/Printing	12	40,000.00	5/3/02	5/10/02
8		628 Vellezerit Mustafa	Production/Milling plant	16	60,000.00	5/3/02	5/10/02
9		629 Mani	Manufacturing/Wood/Furniture	6	20,000.00	5/3/02	5/10/02
10		630 Eltoni	Manufacturing/Construction	10	20,000.00	5/3/02	5/10/02
11		633 Mahagoni	Manufacturing/Wood/Furniture	6	5,000.00	5/3/02	5/10/02
12		642 Snaab	Manufacturing/Concrete	8	25,000.00	5/3/02	5/10/02
12		Sub-Total		9.2	322,564.59		

Expected Disbursement Schedule:

<b>Total for September</b>	<b>293,386.95</b>	Actual
<b>Total for October</b>	<b>636,747.57</b>	Actual
<b>Total for November</b>	<b>319,368.25</b>	Actual
<b>Total for December</b>	<b>513,848.34</b>	Actual
<b>Total for January 2002</b>	<b>561,503.27</b>	Actual
<b>Total for February</b>	<b>683,535.13</b>	Actual
<b>Total For March 2002</b>	<b>1,145,452.45</b>	Actual
<b>Total for April 2002</b>	<b>1,449,301.00</b>	
Week of April 1	183,000.00	Actual
Week of April 8	88,000.00	Actual
Week of April 15	167,500.00	Actual
Week of April 22	835,576.00	Actual
Week of April 29 (Monday & Tuesday only)	175,225.00	Actual
Week of May 1	133,000.00	Actual
Week of May 6	395,955.00	Actual
Week of May 13		Actual
<b>Active approvals waiting for disbursement</b>	<b>1,360,263.28</b>	Projected
<b>Grand Total</b>	<b>7,492,361.24</b>	

## Appendix D - Supplemental Information on Lending Activity, Employment Generation, and Staff Development

KBF's lending priority is to finance businesses engaged in labor-intensive manufacturing and production activities. Of the 260 loan applications that were approved by the project, 91.0% are in the manufacturing/production industry sector, 4.6% in the service industry sector and 4.5% are engaged in trade. A detail breakdown of the KBFF loan portfolio by industry sector is shown on the "Industry Concentration Report".

### KOSOVO BUSINESS FINANCE FUND Industry Concentration Report

As Of: May 10 , 20

Industry Sector	Amount		# of loans	
		%		%
<b>1. Manufacturing+Production</b>	<b>6,812,626.32</b>	<b>91</b>	<b>240</b>	<b>92.3</b>
Manufacturing/ Wood	1,839,049.15	24.5	63	24.2
Metal Fabrication	405,443.03	5.4	17	6.5
Glass Production	77,245.26	1.0	4	1.5
Textile/ Apparel	271,433.41	3.6	13	5.0
Printing/paper products	228,145.03	3.0	9	3.5
Hygienic Production	107,380.87	1.4	4	1.5
Plastics	522,770.63	7.0	12	4.6
Pharmaceuticals	30,677.51	0.4	1	0.4
Soft Drinks products	78,967.95	1.1	3	1.2
Food	1,045,846.74	14.0	38	14.6
Milling Plant	310,566.41	4.1	11	4.2
Construction	1,165,673.61	15.6	42	16.2
Electrical	316,532.75	4.2	5	1.9
Farm/Fish, Eggs	175,000.00	2.3	10	3.8
Other	237,893.97	3.2	8	3.1
<b>2.Trade</b>	<b>334,516.75</b>	<b>4.5</b>	<b>5</b>	<b>1.9</b>
Fertilizer distribution	112,484.21	1.5	1	0.4
Food distribution	146,016.27	1.9	2	0.8
Retail	76,016.27	1.0	2	0.8
<b>3.Services</b>	<b>345,218.17</b>	<b>4.6</b>	<b>15</b>	<b>5.8</b>
Hotel/Restaurants	90,467.94	1.2	5	1.9
Professional services	229,185.64	3.1	9	3.5
Fair	25,564.59	0.3	1	0.4
				<b>0.0</b>
<b>Total</b>	<b>7,492,361.24</b>	<b>100</b>	<b>260</b>	<b>100</b>

## Employment Generation

If we use the figure of 5,000 DM in loans disbursed equates to one new job (as stated in the KBF RFP), then the number of jobs created is 2,180 (10.9 million DM disbursed as of May 10 divided by 5,000). This job creation number exceeds the set benchmark of 2,060 for Year 1. There are, however, different ways to estimate job creation. For example, one of the questions that KBF lending staff asks applicants during the loan application process is, "How many people do you expect to hire if KBFF approves your financing request?" This number is difficult to verify, but lending staff and KBF credit management review the number and type of jobs being created to determine if the response is reasonable given the activities of the business and nature of the financing purpose. Based on responses from the 260 approved loan applicants, KBFF financing will result in the direct creation of 1,153 new jobs; 1 job for each 6,498 Euro of loan volume. This figure, however, does not take into account any indirect job creation. As the RFP, proposal and KBF contract use the figure of 5,000 DM equates to one new job, we assume that our performance is to be measured against this target. The job creation estimate and target, however, may be a topic for discussion with USAID with regards to measuring performance in Year 2 and Year 3.

## Training local employees in SME lending practices.

The credit staff receives both formal credit training and on-the-job skill development training. The "Training Schedule Report" provides details about the 12 formal credit training courses that have been conducted since the project's inception through May 10<sup>th</sup>. On going job training occurs each work day since local employees work directly with either a Loan Officer or the Senior Credit Manager in the activities of originating, disbursing and monitoring KBFF's loan portfolio.

### KOSOVO BUSINESS FINANCE FUND

#### Training Schedule Report

As of May 10, 2002

	DATE	PERSON	TITLE	DESCRIPTION
1	July 17	Arelis Gomez	Small and Micro Lending Techniques	Short course to KBFF management on how small and micro lending techniques could be utilized in the KBFF lending process.
2	August 15	Ariana Elezi	Credit File Structure	An electronic filing system allows KBFF staff to access approved lending documents and store business communication and lending documents in an electronic filing system.
3	August 15	Erdet Kelleci Andis Harasani	Central Calendar Loan Info System	A central calendar was implemented assist with scheduling client meeting and gives KBFF managers the ability to supervise employee activities.
4	August 15	Alan Pieper	Credit Manual	The KBFF Credit Manual containing the policies and procedures that govern all aspects of loan delivery and recovery.
5	August 21-22	Stuart Paton	Basic Accounting	Basics of how to construct the balance sheet and cash flow statement and how these financial statements apply to credit analysis and lending decisions.
6	August 27-31	Leif Andersen Violetta Kozlowski	Credit Risk Management	Week long session which contained 8 modules covering financial statement analysis, cash flow analysis and projections, SME business risk evaluation, business planning, client interaction, collateral valuation and loan monitoring.
7	September 17-19	Arelis Gomez	Small and Micro Lending Techniques	How small and micro lending techniques are utilized in the KBFF lending process and applicability to the Kosovo environment.
8	September 19	Alan Pieper	Lending Processes	Approach and format for completing the Loan Recommendation form and other loan file documents.
9	November 20-22	Leif Andersen	Credit Risk	Basic double-entry bookkeeping, financial analysis techniques and critical case study review of KBFF loan recommendations.
10	March 11-14	KBS Training	Accounting	Accounting review: balance sheet, amortization, accounts payable, accounts receivable, bookkeeping.
11	March 21	Alan Pieper Phil Jones	KBFF Credit Process	Review of KBFF lending approach and loan recommendation package.
12	April 24 - 29	Arelis Gomez Cameron Knight Monica Shinn	Deposit mobilization	Discussion on deposits mobilization, characteristics that make deposit attractive to large, medium and small depositors and strategies for selling ABK deposits and other financial products.

KBF's employee development program has resulted in two local employees being promoted to the position of Junior Loan Officer and three more local employees being promoted to the position of Junior Loan Officer within the next three months. The Junior Loan Officer is a management position that will supervise the work of 2 Lending Associates. In addition, two local employees will be promoted to full Loan Officer responsibilities supervising a team of up to 6 Lending Associates within the next three months. Staff from the lending unit has also been able to transition over to bank operations/supervision as needed.

### **Credit operating procedures**

A draft Credit Manual covering the basics of credit operating policies and procedures was issued on August 10. Since then, credit policies and procedures have been updated as necessary to clarify all phases of credit operations and to meet the requirements of the BPK for banking institutions upon the integration of the lending unit into the ABK. In addition, improvements have been made in standardizing the Loan Recommendation Form and supporting credit documents that are provided to USAID for each loan that is approved by the KBF project. The KBF project has and will continue to refine credit operating procedures that promote sound lending standards and fulfill USAID's lending objectives.

Legal lending document (e.g. loan agreements) are filed and maintained by the KBF project Legal Officer. Copies of all loan documents are maintained in hardcopy form by Credit Administration and loan documents produced on computers are maintained electronically on KBF's server. The electronic files are backed-up each Friday.

## **Appendix E - Award-Fee Plan For Kosovo Business Finance**

**Contract No. 167-C-00-01-00167-00**

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### **Annexes**

<b><u>Annex</u></b>	<b><u>Title</u></b>	<b><u>Page</u></b>
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2	Evaluation Criteria	5

## **Award-Fee Plan**

### **1.0 -- Introduction**

This award-fee plan is the basis for the Kosovo Business Finance evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance and to determine the amount of award fee earned. Actual award-fee determinations and the methodology for determining award fee are unilateral decisions made solely at the discretion of the Government.

The award fee will be provided to the contractor through a letter signed by the FDO and given to the contractor for attachment to its voucher requesting payment of the award fee. It is in addition to the cost reimbursement and fixed fee provisions of the contract. The award fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan. The FDO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the Contracting Officer, in writing, before the start of the affected evaluation period. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties.

### **2.0 -- Organization**

The award-fee organization consists of the Fee Determining Official (FDO); an Award Fee Review Board (AFRB) which consists of a chairperson, the contracting officer, recorder, other functional area participants, and advisor members. The FDO and AFRB members are as follows:

#### ***Members***

Fee Determining Official: USAID/Kosovo and Montenegro Mission Director

Award Fee Review Board Members:

Award Fee Review Board Chairperson: Cognizant Technical Officer

Contracting Officer: RCO Budapest

Functional Area Specialist: USAID/Kosovo and Montenegro  
Recorder: Project Management Assistant

Note: The Chairman may use non-voting members to assist the Board in performing its functions at any time.

### **3.0 -- Responsibilities**

- a. ***Fee Determining Official.*** The FDO approves the award-fee plan and any significant changes. The FDO reviews the recommendation(s) of the AFRB, considers all pertinent data, and determines the earned award-fee amount for each evaluation period.
- b. ***Award Fee Review Board.*** AFRB members evaluate the contractor's performance, consider all information from pertinent sources, prepare interim performance reports, and arrive at an earned award-fee recommendation to be presented to the FDO. The AFRB may also recommend changes to this plan.
- c. ***AFRB Recorder.*** The AFRB recorder is responsible for coordinating the administrative actions required by the AFRB and the FDO, including:
  - (1) receipt, processing and distribution of evaluation reports from all required sources;
  - (2) scheduling and assisting with internal evaluation milestones, such as briefings; and
  - (3) accomplishing other actions required to ensure the smooth operation of the award fee.
- d. ***Contracting Officer (CO).*** The CO is the liaison between contractor and Government personnel.

### **4.0 -- Award-Fee Processes**

- a. ***Available Award-Fee Amount.*** The available award fee for each evaluation period is shown in Annex 1. The award fee earned will be paid based on the contractor's performance during each evaluation period.
- b. ***Evaluation Criteria.*** If the CO does not give specific notice in writing to the contractor of any change to the evaluation criteria prior to the start of a new evaluation period, then the same criteria listed for the preceding period will be used in the subsequent award-fee evaluation period. Any changes to evaluation criteria will be made by revising Annex 2 and notifying the contractor.
- c. ***Interim Evaluation Process.*** The AFRB Recorder notifies each AFRB member ten calendar days before the midpoint of the evaluation period. The AFRB notifies the contractor (oral or written) of the strength and weaknesses for the current evaluation period. The CO may also issue letters at any other time when it is deemed necessary to highlight areas of Government concern.
- d. ***End-of-Period Evaluations.*** The AFRB Recorder notifies each AFRB member and ten calendar days before the end of the evaluation period. The AFRB prepares its



evaluation report and recommendation of earned award fee. The AFRB briefs the evaluation report and recommendation to the FDO. At this time, the AFRB may also recommend any significant changes to the award-fee plan for FDO approval. The FDO determines the overall grade and earned award-fee amount for the evaluation period within 45 calendar days after each evaluation period. The FDO letter informs the contractor of the earned award-fee amount.

e. ***Contractor's Self-Assessment.*** When the contractor chooses to submit a self-evaluation, it must be submitted to the CO within five working days after the end of the evaluation period. This written assessment of the contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the AFRB in evaluating the contractor's performance.

## **5.0 -- Award-Fee Plan Change Procedure**

All significant changes are approved by the FDO; the AFRB Chairperson approves other changes. Examples of significant changes include changing evaluation criteria, adjusting weights to redirect contractor's emphasis to areas needing improvement, and revising the distribution of the award-fee dollars. The contractor may recommend changes to the CO no later than ten days prior to the beginning of the new evaluation period. After approval, the CO shall notify the contractor in writing of any change(s). Unilateral changes may be made to the award-fee plan if the contractor is provided written notification by the contracting officer before the start of the upcoming evaluation period. Changes effecting the current evaluation period must be by mutual agreement of both parties.

## **6.0 -- Contract Termination**

If the contract is terminated for the convenience of the Government after the start of an award-fee evaluation period, the award fee deemed earned for that period shall be determined by the FDO using the normal award-fee evaluation process. After termination for convenience, the remaining award-fee amounts allocated to all subsequent award-fee evaluation periods cannot be earned by the contractor and, therefore, shall not be paid.

## **2 Annexes**

1. Award-Fee Allocation by Evaluation Periods
2. Evaluation Criteria

### **Annex 1 -- Award-Fee Allocation by Evaluation Periods**

The award fee earned by the contractor will be determined at the completion of evaluation periods shown below. The percentage and dollars shown corresponding to each period is the maximum available-award-fee amount that can be earned during that particular period.

<b>Evaluation Period *</b>	<b>From</b>	<b>To</b>	<b>Available Award Fee **</b>
1	Date of Award (DOA)	6 Months Thereafter	\$119,487
2	DOA + 6 Months	12 Months Thereafter	\$119,486
3	DOA + 12 Months	18 Months Thereafter	\$119,487

4	DOA + 18 Months	24 Months Thereafter	\$119,486
5	DOA + 24 Months	30 Months Thereafter	\$119,487
6	DOA + 30 Months	36 Months Thereafter	\$119,486
		Total	\$716,919

Evaluation Period *	Milestone	Expected Completion Date	Available Award Fee **
7	Licensed Bank in Operation	Unknown	\$153,626
8	Share of Foreign Bank Equity	DOA + 12 Months Thereafter	\$46,088
9	Share of Foreign Bank Equity	DOA + 24 Months Thereafter	\$46,087
10	Share of Foreign Bank Equity	DOA + 36 Months Thereafter	\$61,450
			\$307,251

*\* The Government may unilaterally revise the distribution of the remaining award-fee dollars among subsequent periods. The contractor will be notified of such changes, if any, in writing by the CO before the relevant period is started and the award-fee plan will be modified accordingly. Subsequent to the commencement of a period, changes may only be made by mutual agreement of the parties.*

*\*\* Will be computed in and expressed in dollars at conclusion of negotiations (for sole source) or in proposal and Final Price Revision (for competition) using percentage shown.*

## **Annex 2 -- Evaluation Criteria**

### **Grades:**

***Unsatisfactory Performance:*** Contractor's performance of most contract tasks is inadequate and inconsistent. Inadequate results. Quality, responsiveness, and timeliness in many areas require attention and action. Corrective actions have not been taken or are ineffective. ***Overall unsatisfactory performance shall not earn an award fee. Range of Performance Points: Less than 70.***

***Satisfactory Performance:*** Contractor's performance of most contract tasks is adequate with some tangible benefits to the Government due to contractor's effort or initiative. Effective performance, responsive to contract requirements, and adequate results. Although there are areas of good or better performance, these are more or less offset by lower-rated performance in other areas. ***Range of Performance Points: 70 – 79.***

***Very Good Performance:*** Contractor's performance of most contract tasks is consistently above standard and provides significant tangible and intangible benefits to the Government . Very effective performance, fully responsive to contract requirements, and more than adequate results. Although some areas may require improvement; these areas are minor and are more than offset by better performance in other areas. Few, if any, recurring problems have been noted, and contractor takes satisfactory corrective action. ***Range of Performance Points: 80 – 89.***

***Excellent Performance:*** Contractor's performance of virtually all contract tasks is consistently noteworthy and provides numerous significant, tangible or intangible, benefits to the Government. The few areas for improvement are all minor. There are no recurring problems. Contractor's management initiates effective corrective action whenever needed. ***Range of Performance Points: 90 – 100.***

Weighted Performance points will be converted into percentages of available award fee, where each point between 70 and 99 is worth 2% of the available award fee beginning with 40%, as follows: Weighted Performance Points of 70 will equate to 40% of Available Award Fee. Thereafter, the Available Award Fee earned shall increase by 2% for each increase in weighted performance points.

## **Cost Management**

### **Assigned Weight 10%**

Applicable to Evaluation Periods 1 through 6.

Unsatisfactory – Provides some measures for controlling staff costs and controls some subcontracting cost performance to meet program objectives.

Satisfactory -- Provides measures for controlling all costs at estimated costs. Controls subcontractor cost performance to meet program objectives. Funds and resources are generally used in a cost-effective manner in pursuing program goals. No major resource management problems are apparent. Financial reporting is accurate. Provides adequate visibility into cost performance. Problems and/or trends are usually addressed. When provided, analyses of problems and trends are adequate.

Very Good -- Provides measures for controlling all costs below contract estimated costs. Considers logistic and long-term costs. Funds and resources are always used in a cost-effective manner. No resource management problems. Financial reporting is clear and adequate. Provides very good day-to-day visibility into cost performance. Problems and/or trends are addressed thoroughly and analyses provide recommendations for solutions and/or corrective action plans.

Excellent -- Reductions in costs to the Government below contract estimated costs are noteworthy. Provides detailed cost analysis in recommendations for resolution to problems identified. Funds and resources are optimally used to provide the maximum benefit for the funds and resources available. Documented savings are apparent. Financial reporting is clear, accurate, and pro-active. Responsive to cost-control measures. Problems and/or trends are not only addressed thoroughly, but the contractor's recommendations and/or corrective action plans are implemented and are effective.

## **Organization and Management**

### **Assigned Weight 15%**

Applicable to Evaluation Periods 1 through 6.

Unsatisfactory – Fails to identify problems timely. Solutions, when and if implemented, have a negative impact on cost and schedule. Organizational structure fails to assign qualified personnel with duties, responsibilities and authority to achieve project goals. Lines of communication fail to facilitate timely exchange of information, both technical and contractual, in order to meet program goals.

Satisfactory – Most problems are identified by the contractor timely. Contractor provides sufficient information on alternate solutions. Solutions are implemented with limited adverse impact to estimated cost and schedule. Organizational structure provides for qualified personnel assigned with duties, responsibilities, and authority necessary to achieve program goals. Lines of communication facilitate timely exchange of information, both technical and contractual, in order to meet program goals.

Very Good – All problems are identified by the contractor timely. Contractor provides detailed information on alternate solutions. Solutions are implemented with no adverse impact to estimated cost and schedule. Organizational structure provides for highly qualified personnel assigned with duties, responsibilities, and authority necessary to achieve program goals. Lines of communication facilitate timely and effective exchange of information, both technical and contractual, in order to meet and program goals.

Excellent – Contractor practices proactive management to identify and anticipate problems prior to adverse impact. Contractor provides organized and detailed alternatives including risk assessments, trade-off analysis between cost, schedule and performance, plan of action and implementation schedule. Solutions are implemented with no impact to estimated cost and schedule. Organizational structure provides for highly qualified personnel assigned with duties, responsibilities, and authority necessary to achieve program goals ahead of schedule and within estimated cost. Lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information, both technical and contractual, in order to meet program goals.

## **Loan Disbursements and Deposits**

### **Assigned Weight 45%**

#### **Subfactors:**

1. Volume of Loan Disbursements. Assigned Weight 20%. Except for Evaluation Period 1 which is 40%.

Evaluation Period 1:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

#### Evaluation Period 2:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 3 (unless otherwise stated, either unilaterally or by mutual agreement, the Benchmark at the end of evaluation period 3 shall be 50% of the Benchmark identified for Year 2):

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

#### Evaluation Period 4:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 5 (unless otherwise stated, either unilaterally or by mutual agreement, the Benchmark at the end of evaluation period 3 shall be 50% of the Benchmark identified for Year 3):

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

#### Evaluation Period 6:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

2. Value of Loan Disbursements. Assigned Weight 20%. Except for Evaluation Period 1 which is 40%.

#### Evaluation Period 1:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

#### Evaluation Period 2:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 3 (unless otherwise stated, either unilaterally or by mutual agreement, the Benchmark at the end of evaluation period 3 shall be 50% of the Benchmark identified for Year 2):

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 4:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 5 (unless otherwise stated, either unilaterally or by mutual agreement, the Benchmark at the end of evaluation period 5 shall be 50% of the Benchmark identified for Year 3):

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 6:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

3. Delinquent Loan Rate: More than 60 days overdue – principal or interest. Assigned Weight 30%. Except for Evaluation Period 1 which is 20%.

Measured by the total volume and total value of all loans issued.

Applicable to Evaluation Periods 1 through 6.

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Less than or equal to 10%.

Very Good: Less than or equal to 7.5%.

Excellent: Less than or equal to 5%.

4. Value of Deposits Mobilized. Assigned Weight 30%. Except for Evaluation Period 1 which is 0%.

Evaluation Period 1: Not Applicable.

Evaluation Period 2:

Unsatisfactory: Fails to meet “satisfactory” standard.

Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.

Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.

Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 3 (unless otherwise provided for in accordance with this plan, the Benchmark at the end of evaluation period 3 shall be 50% of the Benchmark identified for Year 2):

Unsatisfactory: Fails to meet “satisfactory” standard.  
Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.  
Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.  
Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 4:

Unsatisfactory: Fails to meet “satisfactory” standard.  
Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.  
Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.  
Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 5 (unless otherwise stated, either unilaterally or by mutual agreement, the Benchmark at the end of evaluation period 3 shall be 50% of the Benchmark identified for Year 3):

Unsatisfactory: Fails to meet “satisfactory” standard.  
Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.  
Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.  
Excellent: Greater than or equal to 100% of the Benchmark.

Evaluation Period 6:

Unsatisfactory: Fails to meet “satisfactory” standard.  
Satisfactory: Greater than or equal to 90% and less than 95% of the Benchmark.  
Very Good: Greater than or equal to 95% and less than 100% of the Benchmark.  
Excellent: Greater than or equal to 100% of the Benchmark.

**Bank**  
**Assigned Weight 30%**

**Subfactors:**

1. Licensed Bank in Operation. Evaluation Period 7. Assigned Weight 50%.

Unsatisfactory: Fails to meet “satisfactory” standard.  
Satisfactory: Established within two years of the contract.  
Very Good: Established within 18 months of the contract.  
Excellent: Established within one year of the contract.

2. Percentage of Total Share Capital in Banking Institution Owned by Reputable Foreign Financial Institution. Assigned Weight 50%.

Evaluation Period 8. Assigned Weight 30%.

Unsatisfactory: Fails to meet “excellent” standard.  
Satisfactory: Fails to meet “excellent” standard.  
Very Good: Fails to meet “excellent” standard.  
Excellent: Greater than or equal to 10% within Year 1 of the Contract.

Evaluation Period 9. Assigned Weight 30%.

Unsatisfactory: Fails to meet “excellent” standard.

Satisfactory: Fails to meet “excellent” standard.

Very Good: Fails to meet “excellent” standard.

Excellent: Greater than or equal to 25% within Year 2 of the Contract.

Evaluation Period 10. Assigned Weight 40%.

Unsatisfactory: Fails to meet “excellent” standard.

Satisfactory: Fails to meet “excellent” standard.

Very Good: Fails to meet “excellent” standard.

Excellent: Greater than 50% within Year 3 of the Contract.

**Note: If at any time prior to the completion of the Contract the Contractor attains greater than 50%, then the entire award fee available for this subfactor shall have been earned. This is regardless of whether the targets and goals were met for evaluation periods 8 and 9.**